

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

**IN RE AMERICAN INTERNATIONAL
GROUP, INC. 2008 SECURITIES
LITIGATION**

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X**

**Master File No.:
08-CV-4772 (LTS)(KNF)

ORAL ARGUMENT REQUESTED**

**MEMORANDUM OF LAW IN SUPPORT OF DEFENDANTS STEVEN J. BENSINGER,
JOSEPH CASSANO, ANDREW FORSTER, DAVID L. HERZOG, ROBERT E. LEWIS,
AND MARTIN SULLIVAN'S JOINT MOTION FOR RECONSIDERATION**

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Defendants Steven J. Bensinger, Joseph Cassano, Andrew Forster, David L. Herzog, Robert E. Lewis and Martin Sullivan (collectively, the "Section 15 Defendants") respectfully submit this memorandum of law in support of their joint motion for reconsideration of this Court's September 27, 2010 Opinion and Order to the extent it holds that plaintiffs have stated claims against them under Section 15 of the Securities Act of 1933 (the "Securities Act") in connection with AIG securities offerings in which no named plaintiff purchased securities.

ARGUMENT

In its Opinion and Order dated September 27, 2010 (the "Order"), the Court held that plaintiffs could assert claims under Sections 11 and 12(a)(2) of the Securities Act with respect to 89 securities offerings between 2006 and 2008 in which plaintiffs had not purchased securities. The Court also held that plaintiffs had stated claims against the Section 15 Defendants as control persons under Section 15 with respect to those 89 offerings.

Certain defendants have moved for reconsideration of the Court's decision on standing, based on the argument that only those who invested in a specific offering may bring Section 11 and 12(a)(2) claims with respect to that offering.¹ In addition to reconsidering that aspect of the Order, the Section 15 Defendants respectfully request that the Court concurrently reconsider the viability of the Section 15 claims against them. The law is that an inability to assert primary Securities Act violations under Sections 11 and 12(a)(2) for a particular offering results in an inability to state control person claims under Section 15 based on the same offering.


¹ The Section 15 Defendants hereby incorporate the arguments in Memorandum of Law In Support of the Underwriter Defendants', American International Group's, PricewaterhouseCoopers', Edmund S.W. Tse's, David L. Herzog's, Andrew Forster's, Steven J. Bensinger's, Martin J. Sullivan's and the Outside Director Defendants' Motion for Reconsideration, dated October 12, 2010.

See, e.g., In re Morgan Stanley Info. Fund Litig., 592 F.3d 347, 358, 362 (2d Cir. 2010); *In re IAC/InterActiveCorp Sec. Litig.*, 695 F. Supp. 2d 109, 121 (S.D.N.Y. 2010).

Dated: October 12, 2010

Respectfully submitted,

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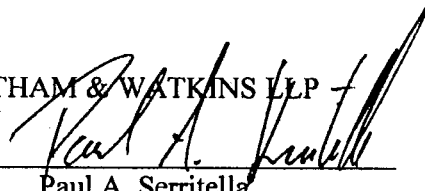
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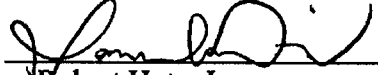
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